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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Salt Lake City, Utah 84180-1203
801-538-5340

RECEIVED
GRAND RESOURCE AREA

91 APR 12 PM 2:09

DEPARTMENT OF NATURAL RESOURCES
BUREAU OF LAND MANAGEMENT

April 8, 1991

Mr. Mark A. Reece
Senior Land Agent
U.S. Borax and Chemical Corporation
255 Glendale Avenue, Suite 19
Sparks, Nevada 89431

Dear Mr. Reece:

Re: Notice of Intention to Commence Small Mining Operations, Dry Fork Claims Project, S/019/028, Grand County, Utah

Thank you for your Notice of Intention to Commence Small Mining Operations, received by the Division on March 21, 1991. The application for the proposed Dry Fork Claims Project, located in the SW 1/4, NE 1/4 of Section 9, T26S, R20E, SLBM is complete and no additional information is required at this time.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices", and the statutory penalty for failure to reclaim a minesite (attachments SMO-1 and SMO-2).

Please give special consideration to item #10 of the "Operation and Reclamation Practices" (attachment SMO-1). Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements.

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U. S. Borax & Chemical Corp.

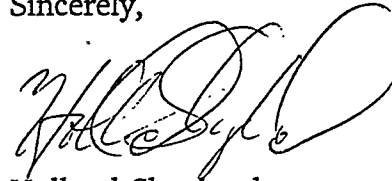
S/019/028

April 8, 1991

A Memorandum of Understanding (MOU) between this Division and the State Department of Health requires us to notify the Division of Environmental Health upon receipt of a mining application. You are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We will forward a copy of this letter and your notice to the Health Department for their review. Their address and phone number is: Division of Environmental Health, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6121.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in dark ink, appearing to read 'H. Shepherd', written over a horizontal line.

Holland Shepherd
Senior Reclamation Specialist

jb

Enclosure

cc: Roger L. Bon, UGMS
Brent Bradford, DEH
Brad Palmer, Area Manager, BLM, Grand RA
Minerals File

S019028.1

Exhibit "B"
U.S. Borax
Proposed Sampling Procedure
Roberts White Cloud #2

It is proposed to re-enter the Roberts White Cloud Well No. 2 for the purpose of obtaining discreet bottom hole samples of the flowing brine found at the bottom of the well. Plat No. 1 illustrates the current mechanical downhole status of the well as can be determined by the current records available. Presently the well is open to the atmosphere and appears to be plugged with salt crystals. The location has been reclaimed and is overgrown with grasses, Four Wing Salt Brush, Rabbit Brush, and other types of weeds. The approximate size and layout of the location is illustrated by Plat No. 2 and Plat No. 3 depicts the current wellhead arrangement.

The Roberts Well will be re-entered using a completion rig and 1" Hydril drill pipe with a hydraulic actuated double gate blow-out preventor containing blind rams and 1" pipe rams (see Plat No. 6). Fresh water will be circulated to clean out the salt (see Plat No. 4). Other safety equipment consists of a float at the bottom of the 1" Hydril drill pipe and a stripping head on top of the blow-out prevention equipment. Layout of the equipment is also illustrated by Plat No. 2, and it is our plans to use the location with minimal surface disturbance. The location after reclaiming has several rolling humps in it, which will be graded flat. topsoil is to be stockpiled as shown. Surface storage will be used to collect all the effluent stream from the well including the liquid used for cleaning out the well. A boiler will be used to inject heat in order to minimize the formation of salt crystals as the well is produced for sampling.

This material will then be hauled to one of the disposal pits located near either Thompson or La Sal, Utah. Upon completion of the testing, the well will be retained for use or plugged and abandoned according to the schematic illustrated in Plat No. 5 and the equipment and material removed. Once this is done, then any areas which have disturbance of the flora will be rehabilitated and reseeded under the auspice of the BLM office and according to their specifications. The following procedure lists the details of the proposed work.

SAMPLING PROCEDURE:

1. Move in completion rig and rig up after setting deadmen.
2. Pick up 2-3/8" tubing using slip-type elevators and pull spider and slips on wellhead. If spider and slips are stuck, use cutting torch and remove.
3. Remove thread protector from upper end of 2-3/8" tubing. Get 2' tubing spacer and weld on a flange ring. Bolt up a 6"-3000 PSI BOP making sure blind rams and pipe rams are installed and compatible with 1" Hydril pipe. Pressure test casing and surface equipment to 2000 PSIG. A 2" choke will be used to control surface flow. Plat No. 6 illustrates the blow-out prevention equipment.

4. Run into the tubing with drag bit and 1" Hydril drill pipe to clean out tubing to TD. If well control problems occur, a 14-14.5 PPG weighted brine drilling mud will be used for well control. Once the TD of 6049' has been reached, the drill string will be pulled and a wireline truck rigged up. A lubricator will be used for pressure control, and the 2-3/8" tubing will be cut off at a depth of 6047' - 6049' with a jet charge to part the bit from the end of the tubing (see Plat No. 4).
5. Once the tubing is cut, the 1" Hydril will be rerun to 6049' and a cavern will be dissolved to allow the cut off tubing and bit to fall free. Hot water will then be pumped down the 1" string and circulated up the 2-3/8" tubing. The flowrate of hot water will be monitored and brine samples collected periodically as the well is allowed to flow.
6. When a total volume of 500 bbl brine has been produced, the 1" string will be removed and a discreet downhole sampler will be used to collect a bottom hole sample. A lubricator will be used for pressure control. After taking a bottom hole sample, the 1" pipe will again be run into the tubing and hot water circulated through the tubing for another 500 bbl flow period. Again, the hot water flowrate will be monitored as brine samples are taken. Downhole sampling and flow tests with hot water will continue until baseline data has been established.
7. Once the sampling is complete, the well will either be completed for subsequent testing and/or production uses or the well will be plugged and abandoned as described in Sections 8 through 11 below.
8. Plugging will commence by pumping 50 sacks of salt-saturated regular Class G cement down the 2-3/8" tubing followed by a wiper plug and 21.3 bbl of the brine. This will place the cement inside the tubing at about 5500', with theoretical fill-up on the outside of about 800 feet.
9. After allowing the cement to set up for four hours, the 2-3/8" tubing will be perforated at 3832' and 25 sacks of salt-saturated regular Class G cement will be pumped down hole, followed by a wiper plug and 13.6 bbl of brine. This should place the cement at about 3500', both inside and outside the tubing. Wait on cement for four hours.
10. Finally, the last plug will be pumped in after perforating the tubing at 325 feet. The plug will be \pm 25 sacks of salt-saturated regular Class G cement. This should fill both tubing and casing to the surface.
11. Cut off wellhead and install regulation marker, move out equipment and materials and reclaim location according to BLM specifications. BLM office will be notified prior to conducting rehabilitation operations.

463-191-02

PLAT NO. 1
ROBERTS WHITE CLOUD #2
CURRENT WELL CONFIGURATION

5760' K.B.

ELEV. 5746' G.L.

2126' FNL, 2925' FWL, SEC. 9, T.26S., R.20E. GRAND COUNTY, UTAH

13 3/8" 48#H-40 CSG @ 24'
CEMENTED W/25 SACKS CEMENT

9 5/8" 32#J-55 CSG @ 325'
CEMENTED W/125 FT.³
CEMENT W/2% CaCl₂

DRILLED AS A BRINE WELL IN JUNE, 1964

FORMATION TOPS:

KAYENTA	:	SURFACE
WINGATE	:	40'
CHINLE	:	310'
MOENKOPI	:	673'
CUTLER	:	1027'
HONAKER TRAIL	:	2585'
UPPER PARADOX	:	3295'
MIDDLE PARADOX	:	3813'

2 3/8" TUBING W/3 3/4" BIT
ON BOTTOM

7"-23#J-55 R-2 CSG @ 3832'
CEMENTED W/300SX 50-50
POZMIX W/2% GEL

4 1/2" 9.5# J-55 CSG @ 5881'
CEMENTED W/510 FT.³ POZMIX
8" W/2% GEL +3% CaCl₂
CIRCULATED TO SURFACE

TD 6049'

TEST DATA:

TESTED 11,000 BPD BRINE TUBING AND
ANNULUS FLOWING @85 PSIG

TESTED 8,400 BPD IN 8 HRS. - SALTING UP.

TESTED 6,700 BPD UP TUBING

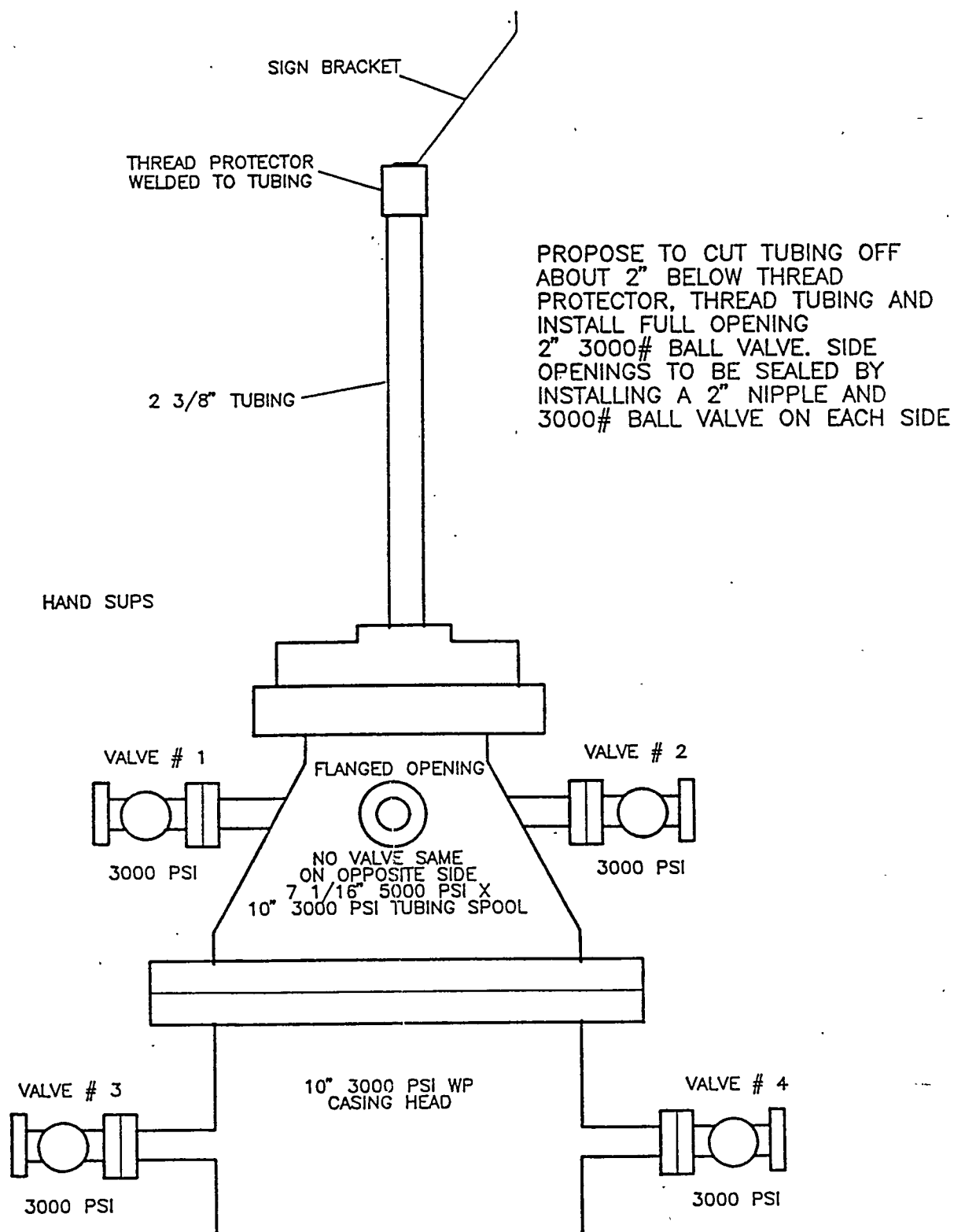
BOTTOM HOLE PRESSURE: 4993 PSIG

BOTTOM HOLE TEMPERATURE: 145° PSIG

SHUT IN TUBING PRESSURE: 1541 PSIG

PRESENTLY WELL IS SALTED UP AND
ANNULUS IS OPEN TO ATMOSPHERE. TUBING
IS STICKING UP THROUGH TUBING SPOOL
WITH THREAD PROTECTOR WELDED ON TOP.

PLAT NO. 3 ROBERTS WHITE CLOUD #2 PRESENT AND (PROPOSED) WELLHEAD ARRANGEMENT



468-191-04

PLAT NO. 4 ROBERTS WHITE CLOUT #2 PROPOSED COMPLETION

5760' K.B.

ELEV. 5746' G.L.

2126' FNL, 2925' FWL, SEC. 9, T.26S., R.20E. GRAND COUNTY, UTAH

13 3/8" 48# H-40 CSG @ 24'
CEMENTED W/25 SACKS CEMENT

DRILLED AS A BRINE WELL IN JUNE, 1964

9 5/8" 32# J-55 CSG @ 325'
CEMENTED W/125 FT.³
CEMENT W/2% CaCl₂

FORMATION TOPS:

KAYENTA	:	SURFACE
WINGATE	:	40'
CHINLE	:	310'
MOENKOPI	:	673'
CUTLER	:	1027'
HONAKER TRAIL	:	2585'
UPPER PARADOX	:	3295'
MIDDLE PARADOX	:	3813'

2 3/8" TUBING W/3 3/4" BIT

7" -23# J-55 R-2 CSG @ 3832'
CEMENTED W/300SX 50-50
POZMIX W/2% GEL

4 1/2" 9.5# J-55 CSG @ 5881'
CEMENTED W/510 FT.³ POZMIX
5" W/2% GEL +3% CaCl₂
CIRCULATED TO SURFACE

TD 6049'

WASHED OUT CAVERN AND CUT BIT OFF
WITH CHEMICAL CUTTER

PLAT NO. 5 ROBERTS WHITE CLOUD #2 PLUG AND ABANDON CONFIGURATION

468-491-04

5760' K.B.

ELEV. 5746' G.L.

2126' FNL, 2925' FWL, SEC. 9, T.26S., R.20E. GRAND COUNTY, UTAH

13 3/8" 48#H-40 CSG @ 24'
 CEMENTED W/25 SACKS CEMENT

DRILLED AS A BRINE WELL IN JUNE, 1964

9 5/8" 32#J-55 CSG @ 325'
 CEMENTED W/125 FT.³
 CEMENT W/2% CaCl₂

PERFORATE TUBING @ 325' AND PUMP 25 SX SATURATED
 CEMENT PLUG TO FILL TO SURFACE. CUT OFF WELLHEAD
 AND INSTALL REGULATION MARKER.

FORMATION TOPS:

KAYENTA	:	SURFACE
WINGATE	:	40'
CHINLE	:	310'
MOENKOPI	:	673'
CUTLER	:	1027'
HONAKER TRAIL	:	2585'
UPPER PARADOX	:	3295'
MIDDLE PARADOX	:	3813'

2 3/8" TUBING W/3 3/4" BIT

7"-23#J-55 R-2 CSG @ 3832'
 CEMENTED W/300SX 50-50
 POZMIX W/2% GEL

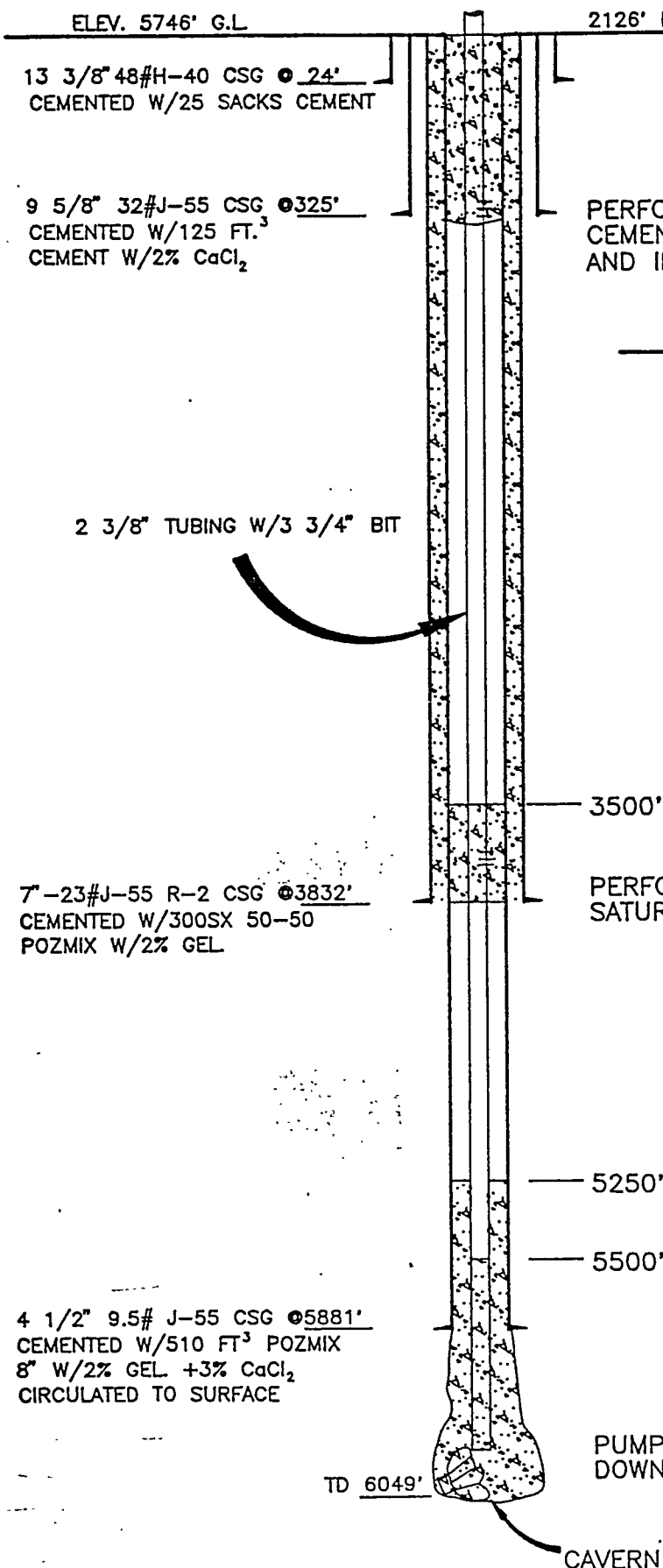
PERFORATE TUBING AT 3832' AND PUMP 25 SX
 SATURATED SALT CEMENT PLUG DOWN TUBING.

4 1/2" 9.5# J-55 CSG @ 5881'
 CEMENTED W/510 FT³ POZMIX
 8" W/2% GEL +3% CaCl₂
 CIRCULATED TO SURFACE

PUMP 50 SX SATURATED SALT CEMENT PLUG
 DOWN TUBING.

TD 6049'

CAVERN



468-1191-04

PLAT NO. 6 ROBERTS WHITE CLOUD #2 PROPOSED BLOW OUT PREVENTION EQUIPMENT

